



***You have a partner
in employee health and safety.***

Montana 
State Fund



Policy Year 2019

POLICYHOLDER KIT

montanastatefund.com

*Everything you do, **does more.***

The day you choose Montana State Fund is the day you get a partner in meeting your commitment to your people. And that means thinking about how the little things you do at your company add up to improved health, safety and prosperity for your employees and you.

What do we mean by little things? Starting a health and safety committee. Posting safety reminders and doing proper safety orientation even for jobs that don't seem dangerous. Creating clear processes for injury reporting and launching a return to work program in case someone does get hurt.

Those little things add up to a culture of safety, which has been proven to add up to fewer work hours lost, greater productivity, lower medical costs, better insurance rates, and happier people up and down the halls.

Thank you for choosing Montana State Fund. And know that when you need one, you have a partner in health and safety.



CUSTOMER SERVICE 800-332-6102 • montanastatefund.com

Montana State Fund is committed to an excellent customer service experience. Part of that is providing you with the team and the tools you need to access and manage your account and to make claims. If you have any questions, please contact us.

CONNECTING WITH YOUR MONTANA STATE FUND TEAM

Our organization is divided into customer-driven, multifunctional teams whose sole commitment is to serve your needs and exceed your expectations. Each of our policyholders is assigned to a specific team. Your team's customer service specialist is easy to reach and happy to assist you with any questions you may have.

Like any business, your bottom line is a primary concern. With that in mind, we recommend the following information to help you reduce costs and keep your employees healthy in the workplace. Please use this booklet as a quick reference guide to assist you with your workers' compensation needs.

ONLINE SERVICES

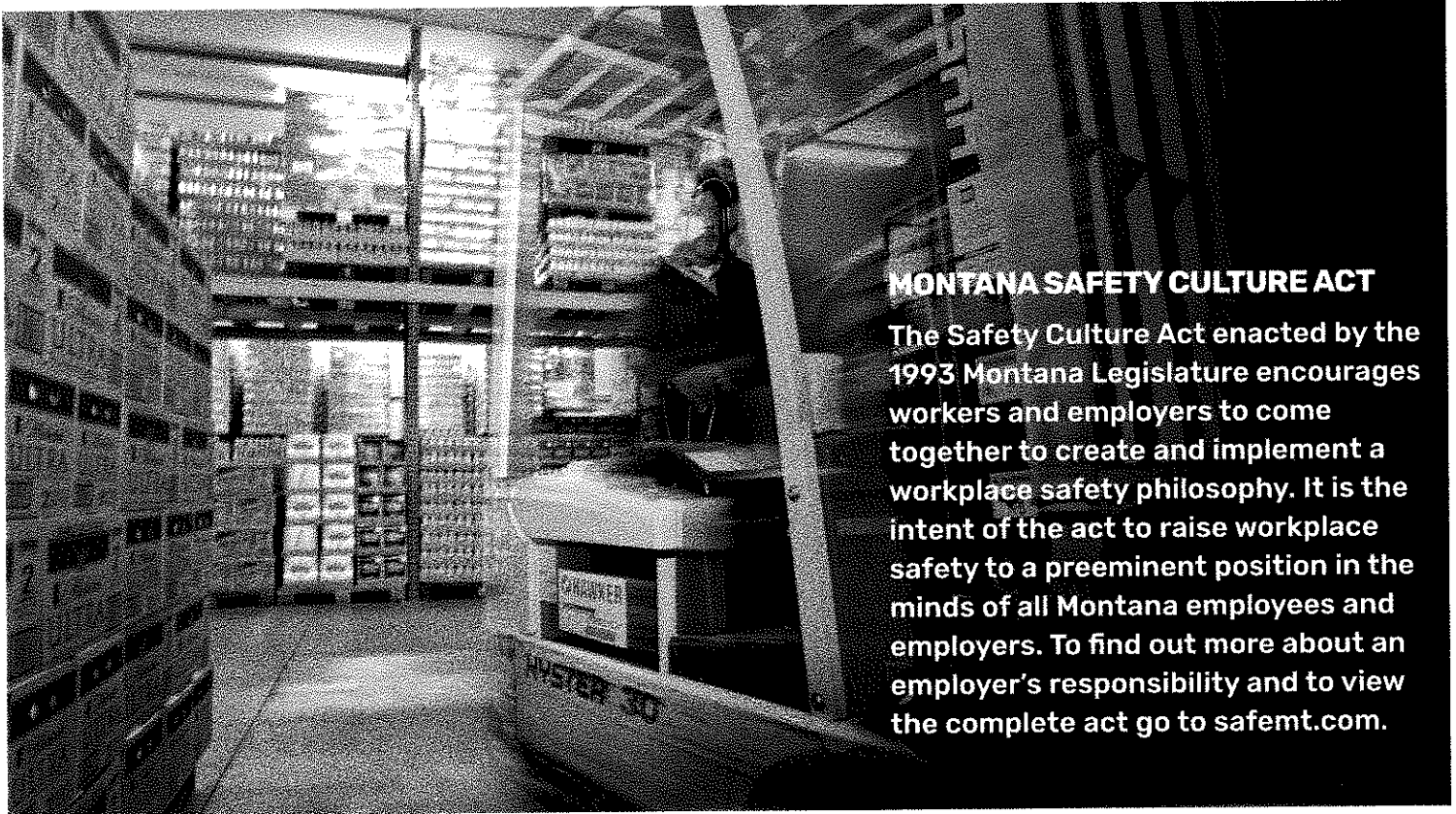
The internet has become an ideal tool for Montana State Fund to communicate with our consumers. Our website, montanastatefund.com, gives you a variety of easy-to-use information and business functions. Some of the services include:

- > Access to your policy and account information

- > Access to your policy and claim documents (user ID and password required).
- > Online payroll reporting (user ID and password required).
- > Online premium payment (no user ID and password required).
- > Online filing of First Report of Injury (no user ID and password required).
- > Online policyholder newsletter (Perspectives).
- > Registration for safety and education trainings.
- > Downloadable forms and supplemental materials.

HOW TO GET A USER ID AND PASSWORD

Because we are dealing with extremely confidential and personal information, we've provided a secure yet convenient way for you to access your account online. To get a user ID and password, fill out the online access form (which can be found on montanastatefund.com) and send it to Montana State Fund. We'll contact you with your customized user ID and password, which you then use for secure online access to your policy information.



MONTANA SAFETY CULTURE ACT

The Safety Culture Act enacted by the 1993 Montana Legislature encourages workers and employers to come together to create and implement a workplace safety philosophy. It is the intent of the act to raise workplace safety to a preeminent position in the minds of all Montana employees and employers. To find out more about an employer's responsibility and to view the complete act go to safemt.com.

CONTROLLING COSTS

We actively work to help policyholders reduce costs related to workplace injuries and workers' compensation insurance through proper claims management. Stay at Work/Return to Work programs and safety initiatives.

MANAGING CLAIMS PROACTIVELY

We believe that when one of your employees is injured, both of you deserve to have the claim handled in a timely, professional manner. Throughout the entire claim process we advocate honest, open communication between injured employees, the employer, medical providers and our own claims examiners and staff.

ON-THE-JOB INJURIES

- > **MAKE SURE YOUR EMPLOYEES KNOW WHO TO REPORT A WORK-RELATED ACCIDENT OR INJURY TO AT YOUR BUSINESS.**
- > **ENCOURAGE YOUR EMPLOYEES TO REPORT THE INJURY AS SOON AS IT HAPPENS.**
- > **FILE A "FIRST REPORT OF INJURY" FORM WITHIN 24 HOURS OF AN ACCIDENT.** This will help save money and help get your injured employees the medical care they need.

FILLING OUT INJURY FORMS

The injured employee and a business representative must file the First Report of Injury form. We suggest you fill it out together and use one of the following filing methods:

- > Download the form from **montanastatefund.com**, and mail or fax the completed form to us.
- > Call your team's customer service specialist and file your form over the phone.

OWNERS OR OFFICERS WHO HAVE ELECTED COVERAGE

Owners and officers who have elected coverage are required by the Montana Workers' Compensation Act to report an accident to us within 30 days.

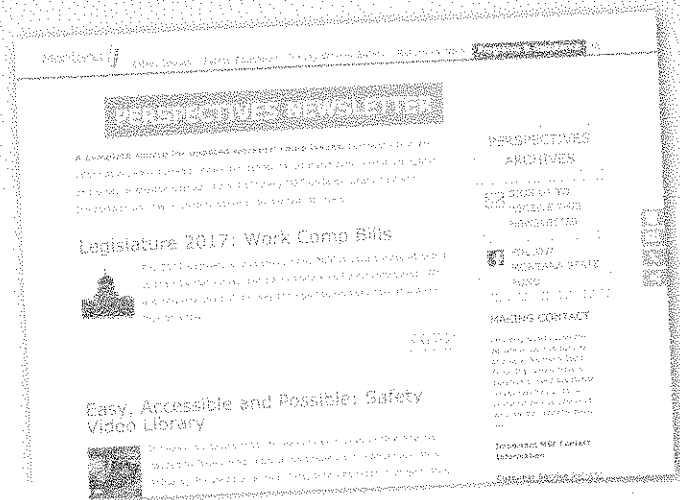
The First Report of Injury form must be filled out by:

- > Sole proprietor.
- > Partner.
- > Corporate officer.
- > Member of a member-managed limited liability company.
- > Manager of a manager-managed limited liability company.

The payment of wage loss benefits depends on whether the owner or officer receives a draw, profit or income after an injury. If you have any questions please contact your customer service specialist.

STAYING INFORMED

Perspectives, Montana State Fund's newsletter for policyholders, insurance agents and other interested parties is available electronically. This publication provides a range of workers' compensation information and safety topics relevant to the day-to-day operations of your business. To sign up to receive Perspectives by email go to **safemt.com**.



DEVELOPING A STAY AT WORK / RETURN TO WORK (SAW / RTW) PROGRAM

When an injury happens, after immediate treatment occurs your next thoughts turn to when your employee can return to work. Having an established SAW / RTW program for your business will enable you to work with the employee and the physician to identify options and opportunities to keep the injured employee at work. When that isn't possible, return them to work at the earliest opportunity.

Through temporary transitional work assignments, you identify tasks your injured employees can perform while they recover. Not only does an SAW / RTW program show employees that their employer cares about them, it also helps reduce costs.

We provide a helpful kit that gives step-by-step instructions on how to set up a program. You will also find more information located at **safemt.com**.

CURBING PHARMACY COSTS

Montana State Fund contracts with a pharmacy benefit manager. The benefits of this arrangement mean more savings for you and a stronger guarantee that injured employees are receiving appropriate medical care.

SAFETY IS OUR BUSINESS

Safety Services

Having a comprehensive safety program at your business can help reduce injuries and illnesses, improve employee morale and productivity, and lower premiums. But developing the program takes time, patience, commitment and follow-through. Montana State Fund can help. Our safety management consultants offer individualized consultations tailored to the needs of our policyholders. This includes help to:

- > Identify workplace hazards and appropriate controls.
- > Develop written safety and return to work programs (SAW / RTW).

- > Create an effective safety committee.
- > Develop a new hire orientation.
- > Develop job safety analyses.
- > Communicate your safety message to your employees.
- > Develop an accident investigation process.
- > Customize Return to Work "Grab N Go" kits.

Any Montana State Fund policyholder can request safety management services by calling your team's customer service specialist at 800-332-6102 or by visiting **safemt.com/programs-assistance**.

Safemt.com

Our complete safety-focused website, **safemt.com** offers a comprehensive set of practical safety tips, interactive safety games, useful resources and convenient forms employers can access. In addition, the site houses a variety of informative and entertaining safety videos that can be accessed right at your desk.

OTHER SAFETY PROGRAMS

WorkSafe Champions Program

WorkSafe Champions is an elite safety education program offered to our policyholders at no charge. Over the course of eight modules, participants will learn about workers' compensation and how to motivate and train employees, manage an incident, more effectively return an injured employee to work, and much more. Find out more at **safemt.com**.

Safety Workshops

We designed our safety workshops to give all Montana employers and employees the tools they need to fine-tune their own safety plans. The free, half-day seminars are presented throughout the state on a quarterly basis. The workshops cover a variety of important and timely issues, including management's commitment and involvement in safety, communicating safety to young workers, preventing slips, trips and falls and how to create an effective SAW / RTW program, to name a few. To register

GENERAL POLICYHOLDER INFORMATION

You should carefully review the following information, especially the sections that discuss exempted employments and who's covered and who's not.

PAYROLL REPORTING

At the end of each reporting period, most employers are required to fill out and submit a payroll report to Montana State Fund. The report details your payroll by classification code for a certain time period. You can submit payroll reports online at **montanastatefund.com** or by mail or fax to us.

No matter how you choose to submit your payroll report, please complete and return it by the due date shown on each report. We will calculate your premium and send you a Payroll and Premium Recap when we receive each report. Any premium adjustment will be reflected on your next policy invoice. Some employers will not receive payroll reports. For these employers, an on-site or telephone audit will be done to determine actual payroll for the policy term.

PREMIUM AUDIT

A premium audit is standard throughout the workers' compensation industry to ensure that you pay an appropriate premium – no more or no less than required. Some industries experience more frequent audits due to specific job hazards and/or large fluctuations in payroll.

CHANGING YOUR RENEWAL DATE

You have the option of choosing your renewal date. If a different renewal date works better for your business, please let us know. In most instances we will be able to accommodate your need.

CANCELING YOUR POLICY

Your workers' compensation policy will automatically renew unless we receive a written request to cancel it before it renews. If the policy is canceled after it renews, premium will be due for the time the renewal policy was in effect. Like other workers' compensation companies, Montana State Fund has a minimum premium that will be charged if the actual premium doesn't exceed the minimum premium.

MEDICAL DEDUCTIBLE

An elective medical deductible program allows you to reimburse Montana State Fund for medical payments on each individual claim, in return for a reduction in premium. You may elect a deductible of \$500, \$1,000, \$1,500, \$2,000 or \$2,500. For more information on this program, please contact your agent or a customer service specialist. Policyholders electing to participate in this program must complete the election process and be approved for participation within 30 days of the effective date of the policy.

INDEPENDENT CONTRACTORS

Before you hire someone who is not an employee, make sure they have an Independent Contractor Exemption Certificate (ICEC) issued by the Montana Department of Labor & Industry or proof of workers' compensation insurance. To learn more about independent contractor regulations and exemption certificates online, visit **mtcontractor.com**.

FRAUD INVESTIGATION

Workers' compensation fraud costs us all. That's why our Special Investigations Unit aggressively pursues any potentially fraudulent activity. If you know of or suspect fraud, please call our Fraud Hotline at 888-MT-CRIME (888-682-7463) or visit **montanastatefund.com**.

EMPLOYMENTS EXEMPT FROM WORKERS' COMPENSATION COVERAGE

Every Montana business employing Montana workers is required to provide workers' compensation coverage. However, there are some individuals and groups of workers who are exempted by law. Coverage may be elected (subject to Montana State Fund approval) for exempted employments; please contact us if coverage is desired.

CONVENIENT ONLINE PAYMENT OPTIONS

In addition to paying your premiums by check through the mail, we offer other convenient payment options.

Pay Online

You can make your premium payment online by using a credit card or an electronic check. You can also schedule future automatic payments for the amount you request.

Electronic Withdrawal

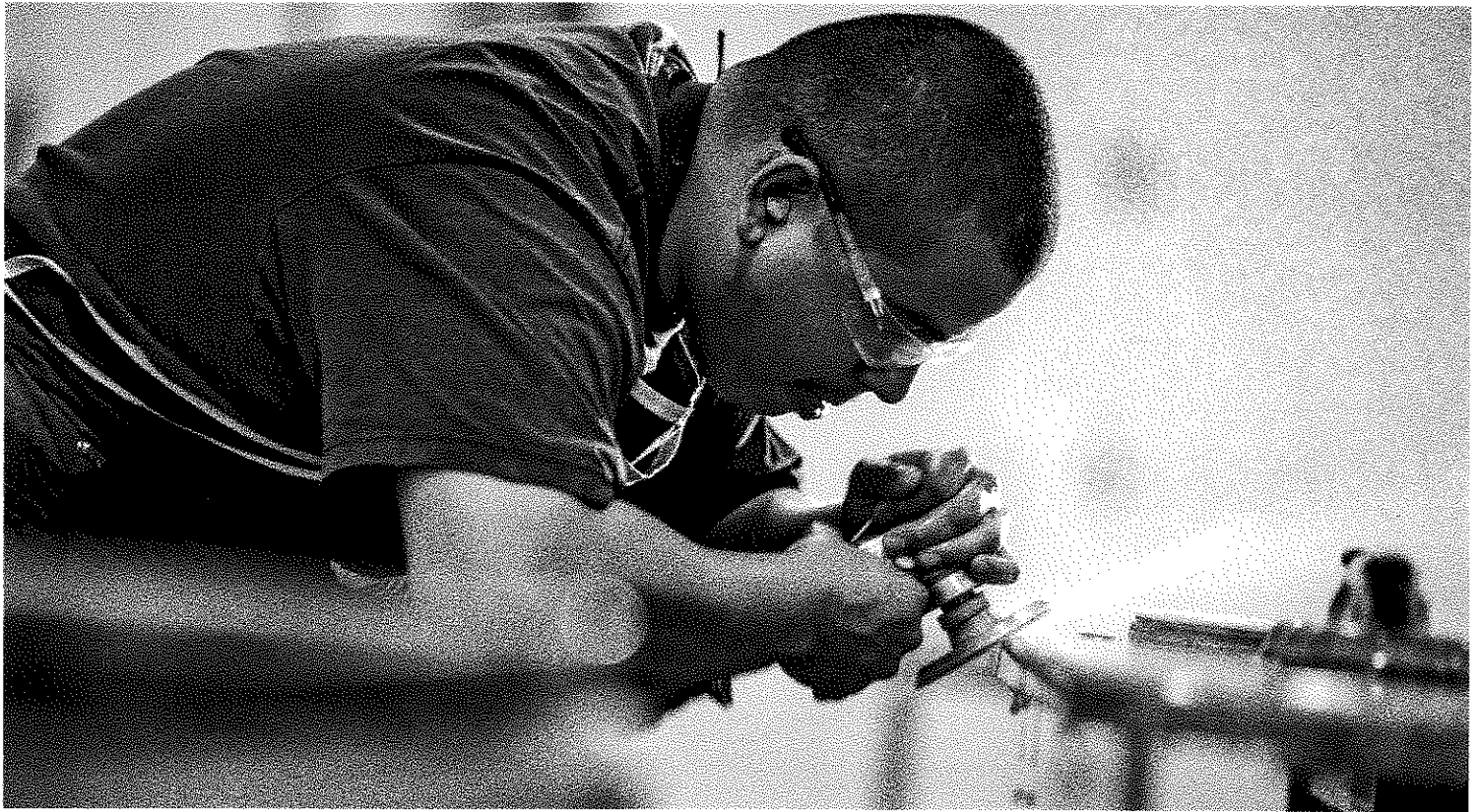
With our electronic funds transfer option your payment will always be automatically deducted from your bank account as it becomes due based on your invoiced amount.

To find out more about your payment options please visit **montanastatefund.com**. Click the I Am An Employer



The employments that are exempted include:

- > **Sole proprietors, working members of a partnership, working members of a limited liability partnership and working members of a member-managed limited liability company.** Please note – if you retain or contract with these employers to perform work for you, they must either have workers' compensation coverage on themselves or an Independent Contractor Exemption Certification (ICEC) issued by the Montana Department of Labor & Industry. In the absence of those, you, as the employer or contractor, may be determined to be providing coverage for them for the work they perform for you.
- > **Dependent members** of an employer's family or spouse for whom an exemption may be claimed by the employer under the federal Internal Revenue Code. This provision applies only to sole proprietorships and partnerships.
- > **Household or domestic employees** whose typical duties include house cleaning and yard work. Employees whose duties include home health care or domiciliary care are not household or domestic employees.
- > **Casual employment** that is not part of the usual business of the employer. Part-time, short-term or occasional employees who perform duties that are part of the employer's usual business are not casual employees.
- > Persons working in return for **aid or sustenance only**.
- > **Amateur athletic officials** including a timer, referee
- > **Real estate, securities or insurance salespersons** paid only by commission with no guarantee of minimum earnings.
- > **Direct sellers** of consumer products in the home.
- > **Newspaper carriers** who deliver singles or bundles of newspapers and have acknowledged no coverage in writing.
- > **Freelance correspondents** who submit articles or photos for publication, are paid for each item, and have acknowledged no coverage in writing.
- > **Licensed barbers or cosmetologists** who contract with cosmetology establishments.
- > **Petroleum land professionals.**
- > **Licensed jockeys** riding in a horse race, from the time the jockey reports to the scale room through the time that the jockey is weighed out after a race. The jockey must acknowledge no coverage in writing.
- > **Licensed trainers, assistant trainers, exercise persons or pony persons** while on the grounds of a licensed horse race meet.
- > **Employees who are not residents of Montana** and whose primary duties are not regularly conducted within Montana. If a nonresident employee performs most of his work outside Montana, the employer must comply with the coverage requirements where the employee resides or performs work. **EXCEPTION:** Employers working in the construction industry must provide Montana coverage for all employees, both resident and nonresident, while working in Montana.
- > **Officers or managers of a private, nonprofit,**



- > An **ordained, commissioned or licensed minister** of a church or a member of a religious order.
- > Persons providing **companionship services or respite care** for individuals who cannot care for themselves. The person providing the services or care must be employed directly by a family member, who may be the person receiving the care, or legal guardian.
- > **Volunteer workers**; however, the following volunteer workers are *not* exempt:
 - Air search and rescue volunteers employed by the Montana Department of Transportation (Section 67-2-105, MCA).
 - Volunteer reserve or auxiliary officers providing service to a local law enforcement agency (Section 7-32-203, MCA).
 - Volunteer firefighters who provide service to a second-class city. All other volunteer firefighters are exempt.
 - Volunteer emergency medical technicians (EMTs) who are part of an ambulance service for a county, city or town (Section 7-34-101 and 7-34-102, MCA).
- > **Corporate officers or managers of a manager-managed limited liability company (LLC)** who meet certain criteria. Contact your team's customer service specialist for specific criteria. NOTE: Corporate officers or limited liability company managers who fail to satisfy any of the elective criteria, and who receive pay from the corporation or LLC for the performance of ordinary duties, are automatically covered.
- > **Professional athletes** on a team or club engaged in contact sports. Contact sports include but are not limited to football, hockey, roller derby, rugby, lacrosse, wrestling and boxing.

- interstate common or contract motor carrier** when hired by an individual or entity who meets the definition of a freight broker or freight forwarder.
- > A **musician** performing under a written contract.
- > A person performing **temporary agricultural** work if:
 1. The person is an exempt corporate officer, member or manager of an LLC for a company that primarily performs agricultural work at a fixed business location. OR
 2. The person is a sole proprietor or partner, and not required to obtain an independent contractor's exemption certificate because the person does not regularly perform agricultural work away from the person's own fixed business location.

EMPLOYEES - WHO'S COVERED & WHO'S NOT Montana Residents / Nonresidents

The Montana Workers' Compensation Act contains definitions and coverage requirements pertaining to residents of Montana and nonresidents. The workers covered by your Montana State Fund policy are defined by Section 39-71-118, MCA:

(8) For purposes of this section, an "employee or worker in this state" means:

- (a) a resident of Montana who is employed by an employer and whose employment duties are primarily carried out or controlled within this state;*
- (b) a nonresident of Montana whose principal employment duties are conducted within this state on a regular basis for an employer;*
- (c) a nonresident employee of an employer from another state engaged in the construction industry.*



(d) a nonresident of Montana who does not meet the requirements of subsection (8)(b) and whose employer elects coverage with an insurer that allows an election for an employer whose:

- (i) nonresident employees are hired in Montana;*
- (ii) nonresident employees' wages are paid in Montana;*
- (iii) nonresident employees are supervised in Montana; and*
- (iv) business records are maintained in Montana.*

(9) An insurer may require coverage for all nonresident employees of a Montana employer who do not meet the requirements of subsection (8)(b) or (8)(d) as a condition of approving the election under subsection (8)(d).

The Montana Workers' Compensation Act also addresses coverage for covered workers while temporarily out of Montana:

39-71-402. Extraterritorial applicability and reciprocity of coverage – agreements with other states – rulemaking.

(1) (a) In the absence of an agreement under subsection (2), if a worker employed in this state who is subject to the provisions of this chapter temporarily leaves this state

incidental to that employment and receives an injury arising out of and in the course of employment, the provisions of this chapter apply to the worker as though the worker were injured within this state.

In summary, the employees covered under your policy include:

- > Montana residents whose duties are primarily performed in Montana or duties are controlled within or from Montana including while "temporarily" out of state.
- > Nonresidents whose principal duties are performed within Montana on a regular basis or nonresident employees of an employer from another state engaged in the construction industry within Montana.

If you have workers performing work outside Montana, you may be required to provide workers' compensation coverage in the other state. It is your responsibility to secure such coverage. It is important to understand that Montana coverage is required for Montana resident workers temporarily out of Montana and coverage may also be required in the other state.

Special provisions applicable to North Dakota effective July 1, 2015

Montana workers' compensation coverage does not apply to an employee of a Montana employer if the employee is:

- > Employed to work solely in North Dakota and no job duties are performed in Montana; AND
- > Workers' compensation coverage is required by North Dakota; AND
- > North Dakota coverage is maintained by the employer.

Travel that is commuting to and from a job site in North Dakota from Montana does not constitute performing job duties in Montana even if the employer pays for all or a portion of the costs of travel or if the worker is paid for the



RESOURCES AT-A-GLANCE:

Here are a few resources you may want to review during the year.

POLICY AND REPORTING INFORMATION:

montanastatefund.com • 800-332-6102

SAFETY / STAY AT WORK / RETURN TO WORK INFORMATION:

safemt.com

CONFIDENTIAL FRAUD INFORMATION:

montanastatefund.com • 888-682-7463



855 Front Street • P.O. Box 4759 • Helena, MT 59604-4759
800-332-6102 • 406-495-5000 • 406-495-5020 Fax

TDD-TTY 406-495-5030

FRAUD HOTLINE • 888-MT-CRIME • 888-682-7463

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